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No. 85-1108

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1985

DELTA RESINS & REFRACTORIES, INC., et al.,
Petitioners,

v.

ASHLAND OIL, INC.,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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STATEMENT PURSUANT TO RULE 28.1

Pursuant to Rule 28.1, Respondent Ashland Oil, Inc. identifies the following non wholly owned affiliates:

Arch Coal Sales Company, Inc.
Arch Construction, Inc.
Arch Mineral Corporation
Arch of Alabama, Inc.
Arch of Illinois, Inc.
Arch Service Corporation
Ark Land Co.
Ashland Coal, Inc.
Crescent Petroleum Company
Cumberland Materials, Inc.
DMJM/CD
Dana Coal Company
Datacare, Inc.
Energy Development Co.
500 Cary Corporation
Ford Dock, Inc.
Integon P & C Corporation
Medicine Bow Coal Company
Melamine Chemicals, Inc.
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Travelers Ins. of Charlotte, Inc.
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Federal Rule of Evidence 702 ..... 2, 5, 6

Federal Rule of Civil Procedure 52(a) 2, 7, 8

Federal Rules of Evidence Involved:

Rule 701. Opinion Testimony by Lay Witnesses.

> If the witness is not testifying as an expert, his testimony in the form of opinions or inferences is limited to those opinions or inferences which are (a) rationally based on the perception of the witness and (b) helpful to a clear understanding of his testimony or the determination of a fact in issue.

Rule 702. Testimony by Experts.

> If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise.

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COUNTER-STATEMENT OF THE CASE

A. The Differences Between The Claims Of The '392 And '579 Patents At Issue In Detroit Versus Those Declared Invalid In Milwaukee.

Delta's discussion of the Milwaukee case, which involved two of the same patents involved in the Detroit case, does not discuss the substantial difference between the issues involved. The resins involved in the Milwaukee case were conventional, novolac, or resole phenolic resins, while the resin involved in the Detroit case comprised a new and novel polybenzylic ether resin, called a Pep resin, separately patented under Claim 10 of the '797 patent (4a-5a)* which was not involved in the Milwaukee case.

The issues involved were substantially different as is evidenced by the Detroit District Court's holding (68a) that it was "not collaterally estopped from deciding whether the claims before me are invalid for obviousness[.]" because the

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* "a" references to the Appendix to Delta's Brief.

"resin" in suit in Milwaukee was different from the resin in suit in Detroit.

B. Mr. Kopac's Testimony Was Not Admitted Under Rule 702 But Rather Under 701.

Delta complains about the following statement made by the Court of Appeals for the Federal Circuit (hereinafter CAFC) (10a n.11):

> During pretrial discovery Delta had identified Dr. Raymond Wendland as its only expert witness. Dr. Wendland was not called to testify during trial. Instead, Delta chose to rely primarily on the testimony of Dr. Kopac, who although possessing the qualifications of one of ordinary skill in the art, had not been qualified to testify as an expert witness.

This was a correct statement that was based on what transpired at the trial. (Pages 727-731 and 849-852 in the appendix hereto.) A review of this transcript will show that Ashland objected to Mr. Kopac's opinion testimony on the dual grounds of surprise and lack of expert qualifications. His opinion testimony was *received under Rule 701 as that of a lay person and not under Rule 702 as that of an expert.*

While the district court opinion refers to Mr. Kopac's testimony (64a) it does *not* credit Mr. Kopac as being an expert.

C. Mr. Kopac's Testimony Regarding The Rothrock And Megson References.

1. Rothrock.

The main thrust of Delta's arguments is that the CAFC substituted its opinion for Mr. Kopac's in violation of FRCP 52(a). Delta correctly noted, "One of the principal issues litigated at trial was whether the phenolic resins claimed by

the Ashland patents were described or made obvious by the prior art" (Delta brief p.6). Delta also correctly noted that Mr. Kopac, on direct examination, testified that the Rothrock patent produced the resin of the Ashland '797 patent (ibid at p. 7).

Delta did not point out that when Mr. Kopac was cross-examined he displayed a lack of knowledge as to material facts on which his opinion was predicated. Initially he testified that Example 5 of the Rothrock patent was the closest example to the Robins' resin invention (TR 874) and that example included butyl alcohol. He was unaware though as to whether the butyl alcohol would react with the other compounds present (TR 875).

Ashland's expert Dr. Conley (TR 972) and the inventor Dr. Robins (TR 461-2) both testified that the butyl alcohol would react to produce a product which was not a phenolic resin. No evidence to the contrary was offered by Delta. Dr. Robins also testified that the Example 5 product would not be a suitable Pep resin when used in the processes of the '392 and '579 patents in suit (TR 461-2).

2. Megson.

In its argument Delta (Brief pp. 9-10) also refers to the testimony of Mr. Kopac regarding the Megson reference and argues that "the prior art British Patent described a specific method of producing the Megson structure" (ibid at p. 10). Delta goes on to complain that the CAFC substituted its opinion for that of Mr. Kopac. Again though, Delta did not set out Mr. Kopac's cross-examination testimony nor did it discuss Dr. Conley's testimony.

On cross-examination when asked to do so, Mr. Kopac (TR 914-915) could not specifically identify the British patent he was referring to.

The only British patent offered as an exhibit was a British General Electric Patent (DX 313). Ashland's argument to the CAFC as to this General Electric patent was first, that the

earliest date when that patent would have been publicly available in the British Patent Office would have been June 2nd, 1966 which, as noted by the district co[illegible]a) rendered it unavailable as prior art. Secondly, Ash[illegible]osition was that the British patent described a process for making a resin whose structure would have been completely different than Megson's.

Dr. Conley testified that there was no prior art disclosure as to how to make the Megson product (TR 991).

ARGUMENT

Summary of Argument.

As to Question No. 1, this Court should not exercise its discretionary authority and hear this question because:

A. Both the district court and the CAFC treated the testimony of Jordan Kopac in the same manner, i.e., as a non-expert who was entitled to express an opinion under Rule 701.

B. The CAFC did not subsitute its own factual findings for that of the district court. The CAFC expressly recognized and followed the "clearly erroneous" requirement of Rule 52(a) as interpreted by this Court. The CAFC correctly held that the lack of a factual predicate for opinion testimony and the lack of expertise detracts from the weight the opinion is given.

C. Certain factual determinations made by the district court were held to be clearly erroneous.

As to Question No. 2, Delta was not deprived of due process because:

(1) Rule 103 of the Federal Rules of Evidence does not prevent a district court or a reviewing court of appeals from considering the lack of a factual basis for an opinion.

(2) Mr. Kopac was not testifying as an expert (see summary above as to Question 1).

(3) The CAFC did not rule out Mr. Kopac's testimony but rather in considering whether certain findings were clearly erroneous it correctly took into consideration his lack of knowledge as to certain important facts.

Ashland's more detailed reply to the tw questions raised will now be presented.

Mr. Kopac's Testimony And The Weight It Was Given.

A review of the trial transcript (Appendix hereto) clearly shows that Mr. Kopac's testimony was admitted under Rule 701 and not under 702. It was admitted over Ashland's objections of surprise *and* lack of expertise as being the opinion of a lay person and not that of an expert.

One basic premise recited in Question 1 is therefore not valid. Mr. Kopac was not qualified as an expert. The CAFC's statement to that effect was correct.

Delta seeks to draw some consolation because "Ashland did not object to any of Kopac's opinions on the ground that they lacked a factual basis." (Brief p.7) But, because it did not do so, does not mean that Ashland was not free to bring out Mr. Kopac's lack of knowledge as to what Example 5 of Rothrock would produce or how he could not pinpoint how the Megson structure could be made or his lack of expertise. Rule 701 permits the opposing party to bring out the lack of a factual predicate for an opinion. Such lack goes to the weight the opinion is to be given. *Joy Mfg. Co.* v. *Sola Basic Industries, Inc.*, 697 F.2d 104, 111-2 (3rd Cir. 1982); *U.S.* v. *Jackson*, 688 F.2d 1121, 1125, (7th Cir. 1982), cert. denied 460 U.S. 1043. In *Jackson* for example, the court held, in considering the weight an opinion (Rule 701) is entitled to, that:

> While we recognize that there is a difference between identification testimony which is based upon a witness' one social encounter with the defendant and identifica-

> tion testimony which is based upon a witness' close and on-going relationship with the defendant, we do not believe that the difference, in this case, is determinative of the issue of admissibility of the evidence. The amount of time that the witness had to observe the defendant goes to the weight to be accorded to the testimony by the jury rather than to its admissibility. United States v. Lawson, 653 F.2d 299, 303 n.15 (7th Cir. 1981), cert. denied, 454 U.S. 1150, 102 S.Ct. 1017, 71 L.Ed.2d 305 (1982). The defendant's counsel was given ample opportunity to bring out Ms. Heneghan's limited exposure to the defendant on cross-examination; after that, it was up to the jury to decide whether to believe Ms. Heneghan and, if believed, how much weight to place upon her opinion. We agree with the district court that Ms. Heneghan's knowledge of the defendant was sufficient to come within the bounds of Rule 701(a).

Even if Mr. Kopac had been qualified as an expert witness, the lack of a factual basis for his testimony could have been taken into consideration in weighing his testimony. For example, in *Calhoun* v. *Honda Motor Co., Ltd.*, 738 F.2d 126, 132 (1984) the Sixth Circuit held that if the expert opinion "was supported by nothing more than conjecture" a jury verdict based thereon could not stand. The Fifth Circuit has also recognized that the weight to be given an expert opinion is to be based on a number of factors including the "experts peculiar knowledge of the facts under consideration . . . ." *Loftin and Woodard, Inc.* v. *U.S.*, 577 F.2d 1206, 1224 (1978). In fact, if Mr. Kopac had been qualified as an expert witness (Rule 702), his lack of experience, skill, and knowledge of phenolic resin technology would have justified a holding by the CAFC that the district court erred in giving controlling weight to his testimony. *Universal Athletic Sales Co.* v. *American Gym, Recreational & Athletic Equipment Corp., Inc. et al.*, 546 F.2d 530 (3rd Cir. 1976) cert. denied 430 U.S. 984 (1977).

Delta's criticism of the CAFC's reliance on *In re Altenpohl*, 500 F.2d 1151, 1158 (CCPA 1974) for the proposition that

"[l]ack of factual support for expert opinion going to factual determinations, however, may render the testimony of little probative value in a validity determination . . .", is misplaced. The holding is consistent with *Joy*, *Jackson*, *Calhoun* and *Loftin*, Supra.

Certainly Mr. Kopac's admission that he didn't know what Rothrock Example 5 would produce could, and was, weighed by the CAFC in determining what one of ordinary skill could learn from the Rothrock teachings. Certainly too, Mr. Kopac's cross-examination testimony based on Megson was entitled to be weighed in determining whether the lower court's findings were clearly erroneous. And, Mr. Kopac's admitted lack of expertise could also be considered.

The CAFC Properly Applied Rule 52(a).

Clear and unequivocal evidence led the CAFC to hold that findings made by the district court were clearly erroneous.

The CAFC was mindful of its appellate role vis-a-vis FRCP 52(a). It referred to and followed this Court's decisions in *Anderson* v. *City of Bossemer City, N.C.*, 470 U.S. ____, 105 S.Ct. 1504, 1512 (1985) (25a; 27a) and *U.S.* v. *U.S. Gypsum Co.*, 333 U.S. 364 (1948) (18a).

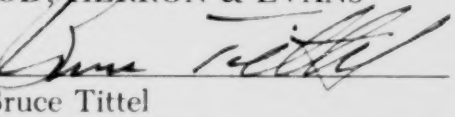
In reversing the district court opinion the CAFC did find that certain factual determinations made by the district court were clearly erroneous. From a review of the CAFC's statements it is clear that *Anderson* and *Gypsum* were followed. For example, it held "that there was no factual support for Mr. Kopac's opinion testimony with respect to the Rothrock patent, and consequently, Mr. Kopac's opinion testimony is of little probative value in a validity determination . . . the district court committed clear error . . . . (25a)". It then went on to note that the district court's findings were "not plausible in light of the entire record (id)", citing *Anderson*.

CONCLUSION

This Court should not exercise its discretionary jurisdiction to review the questions presented. The decision of the CAFC does not place it in conflict with any other appellate decision nor did the CAFC violate FRCP 52(a) in its review and reversal of the district court's judgment.

Respectfully submitted,

WOOD, HERRON & EVANS

By 

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APPENDIX

APPENDIX

Trial Transcript Pages 727-731

[727] MR. TITTEL: Your Honor, I am not exactly certain as to what Mr. Kopac is here for. It sounds to me like it is getting into the area of expert testimony. Mr. Kopac has not been identified in the Pre-Trial Order as an expert to testify as such. My [728] understanding is that they are going to put on Doctor Wendland as their expert to discuss what he considers the prior art discloses.

THE COURT: Well, as I read the Federal Rules of Evidence on Expert Testimony, it's whatever can aid the trier of the fact in areas that the trier of the fact doesn't have any knowledge of.

He has testified to his chemistry background, has he not?

MR. TITTEL: Yes, but I am not sure that he is qualified as an expert. I understand that Doctor Wendland is their expert.

THE COURT: That doesn't mean he can't testify to something he knows about.

MR. TITTEL: May I inquire: Is Doctor Wendland going to testify?

MR. EGAN: We haven't made our final decision yet.

THE COURT: I am not going to make a ruling on your objection on that kind of basis. I will simply overrule your objection and say that he may answer the question.

MR. TITTEL: Yes. I understand that. I have got no problem with that for the time being.

But, if they are going to put [729] Mr. Kopac in as their expert witness in place of Doctor Wendland, I am going to strenuously object to that.

THE COURT: Why?

MR. TITTEL: Why?

THE COURT: Why would you object to their withdrawing a witness?

MR. TITTEL: I wouldn't object to them withdrawing a witness per se, but to substitute somebody else during the middle of trial as an expert witness, I think, is prejudicial to our case, your Honor.

THE COURT: In what way?

MR. TITTEL: Well, we have taken Doctor Wendland's deposition purusant to Rule 26 — whatever it is — and taking the depositions of experts. And, at that time, certain prior art was discussed with Doctor Wendland. He gave us his opinion as to which was the most pertinent prior art, and we were able to cross examine him on that to see what differences there were between the prior art and what the examiner had.

Now, we have apparently the possibility of a totally different ballgame.

THE COURT: Well, if there is one thing about this case that is quite clear to me — there [730] is a lot that isn't — if there is one thing that is, I don't think that you or Mr. Egan have any secrets from each other. I don't think there are any surprises to this thing. You have been through this for, what, ten years?

MR. EGAN: Not quite, your Honor, but it is coming up fast.

THE COURT: I am sure that you are not surprising each other. I even see, with some interest, you reach over and you grab each other's Exhibits.

MR. TITTEL: Well, your Honor, I can truthfully say that this would be a true surprise if Doctor Wendland is not called as their expert.

THE COURT: Well, you call him, then. If you want him, go ahead.

MR. TITTEL: Well, I don't —

THE COURT: He must be helpful to you in some respect, or you wouldn't be so eager to have him on the stand.

MR. TITTEL: You are quite right, your Honor. The depositions, I think, quite clearly show that in many, many respects, his position supports our position.

THE COURT: May be. That's not [731] before me, now. Go ahead.

MR. EGAN: I would only comment, your Honor, Mr. Kopac had given nine days of depositions —

THE COURT: I have ruled in your favor. Please proceed.

* * *

Trial Transcript Pages 849-852

[849] CROSS EXAMINATION

BY MR. TITTEL:

Q Mr. Kopac, I'd like to read you a portion of your testimony from the Milwaukee case beginning at transcript's Page 886:

> "Q I'm still not sure I understand. Do you consider what you displayed in the way of your answers to the questions insofar as chemistry is concerned to be above that of ordinary skill in the art?
>
> "A As it relates to chemistry, I do not because, for the last five or six years or seven years or that, I've slowly evolved away from the chemistry end of it being in other portions of the business. So, actually, if I resided in the laboratory every day up until today and I discussed chemistry as I have I'd probably be a little embarrassed because I'm probably a little behind in that area."

Do you recall that was your testimony in Milwaukee?

A I don't recall that exactly, but if it is there, yes.

[850] Q I'd also like to read to you a portion of your deposition of this last April 26th and 27th taken in this case:

> "Q We've been discussing the procedure which you devised for making a phenolic resin and we've been discussing certain matters pertaining to the chemical structure of that resin. Do you consider at this time that you're a phenolic resin expert?
>
> "A No.
>
> "Q Do you consider Doctor Wendland to be one?
>
> "A Yes.

"Q By reason of what formal training or experience do you consider him to be one? Why do you consider him to be one and not yourself?

"A Because he knows a thousand times more phenolic chemistry than I know. Therefore, I feel he's an expert and I'm not. It's all relative."

MR. TITTEL: Your Honor, at this time, I'd like to move to strike the testimony of Mr. Kopac insofar as it pertains to his testimony regarding the art of phenolic resin chemistry and the art of polyurethane [851] chemistry.

I think quite clearly, under Rule 702, Mr. Kopac is not an expert by his own admission.

THE COURT: Well, even if that were so, under the Federal Rules I could take his testimony as a lay person, couldn't I?

MR. TITTEL: You could take it what, Your Honor?

[852] THE COURT: As a lay person.

MR. TITTEL: I assume so; expert for the technical opinion?

THE COURT: So, it goes to the weight I will give to it and, therefore, I can't strike it? It's how I treat it, right?

MR. TITTEL: Well, I think it should be stricken, Your Honor.

THE COURT: But, you miss the point that I've made. Under the amendment to the rule, if what even a lay person says is an aid of the trier of the facts, a lay person could give an opinion. Whether or not I view Mr. Kopac's testimony as that of an expert or that of a person somewhat, you know, of a lower category than an expert such as you suggested Mr. Kopac characterized Professor Wendland, I suppose goes to the weight, does it not?

MR. TITTEL: Well, I'm just referring to 702.

THE COURT: Look — well, I won't say that. Go ahead.

MR. TITTEL: Okay, I'll accept that, Your Honor.